Accreditation or online/manual auditing portals

1623. SHRI KAMAL AKHTAR: Will the PRIME MINISTER be pleased to state:

(a) whether Insurance Regulatory and Development Authority (IRDA) has recently liquidated their guidelines by hastily renewing accreditation for online/manual portals to various training academies despite serious audit objections;

(b) whether such accreditation has been renewed in the case of Space Education and Training Academy Ltd., Nagpur which was cancelled on charges of fraudulent Training Completion Certificates, noticeable frauds like use of multiple Internet Protocol addresses, tax evasion by fudging company accounts established by IRDA during audit;

(c) whether accreditation of such academies would be immediately cancelled along with appropriate legal action as per audit reports; and

(d) if so, by when and if not, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. IRDA has reported that it has not diluted its guidelines in respect of renewal of accreditation for online/manual portals.

(b) IRDA has reported that online accreditation for Space Education and Training Academy has not been renewed, so far.

(c) and (d) IRDA has reported that the accreditation of such academies would be cancelled only after examination of the audit / inspection reports and replies to show cause, if any, and not merely on the basis of audit reports.

Measures to ease credit crunch

1624. SHRI N. K. SINGH : Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the tight money policy of the Reserve Bank of India (RBI) is crippling the growth potential of the economy;

(b) if so, whether Government is considering any proposals to ease this credit squeeze; and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Monetary measures are initiated by the Reserve Bank of India (RBI) to facilitate growth and contain inflation. During periods of high inflation, the RBI regulates money supply in order to control inflation and *vice-versa*.

During the current financial year when inflation was in double digit, steps were taken by the RBI to curtail money supply by increasing the Cash Reserve Ratio (CRR) and the Repo rate. With inflation coming down from its peak level of August 2008 and in the wake of global financial crisis, contra measures were announced by the RBI, to expand money supply by reducing the CRR, Repo and Reverse repo rates and the Statutory Liquidity Ratio (SLR). A table on the movement of these rates is given below: